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MINERAL INDUSTRY SURVEYS

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LEAD IN FEBRUARY 1997

Domestic mine production, based upon the net quantity recovered in the smelting of concentrate, decreased by about 3% in February. Primary refinery production decreased by 1% and secondary refinery production increased by 2%. Reported consumption decreased by about 3%.

According to Platt's Metals Week published quotations, the average North American producer price and the average London Metal Exchange (LME) cash price declined by about 0.7% and 4.6%, respectively, in February.

National Defense Stockpile cash disposal (sale) of lead in February 1997 was 1,372 metric tons (1,512 short tons). Sale of lead to date in fiscal year 1997 (October 1996 through February 1997) was 7,737 metric tons (8,529 short tons).

The Defense National Stockpile Center (DNSC) recently forwarded the revised Fiscal Year 1997 and the proposed Fiscal Year 1998 Annual Materials Plans (AMP) to the U.S. Congress. According to the AMP, the maximum quantity of lead currently approved for sale in Fiscal Year 1997, under the Defense Authorization Act that went into effect October 1, 1996, remained unchanged at 54,430 metric tons (60,000 short tons). The DNSC proposed that the same quantity of lead be available for sale in Fiscal Year 1998. Should no changes be made by the Congress to the proposed AMP for Fiscal Year 1998, it will go into effect October 1, 1997.[1]

According to a report published in China's Economic Information Daily, production of lead and zinc was projected to decline by 40% by the year 2000. Factors cited as contributing to this expected decline were the significant depletion of reserves at several of China's large, and relatively old, state-owned mines and the decreasing investment in these mines. China reportedly hopes to reverse the trend toward lower mine production by encouraging foreign investment in its mining sector.[2] Under China's new Mineral Resource Act, which became effective January 1, 1997, foreign companies can now own equity interests in Chinese projects. Previously they were permitted to own only financial interests. Over the next 5 years the Chinese Government plans further investment in mineral exploration with specific emphasis directed toward the midwestern area of the country.[3]

In Australia, RTZ-CRA was unable to resolve the Native Title issue regarding ownership of the land associated with the Century zinc-lead mining project in Queensland. Local Aboriginal groups have claimed ownership of this land under Australia's Native Title Act. In an effort to settle the dispute, RTZ-CRA offered to the Native Title claimants a compensation package consisting of employment opportunities, funding for training and business development, interests in pastoral properties, and compensation. Unanimous agreement by the claimants was required in order for RTZ-CRA to obtain full title to the mine site and related pipeline corridor and port facilities. However, only 4 of the 12 Native Title claimants signed the final compensation package offered by RTZ-CRA. Consequently, the company withdrew its compensation offer. As a result, the matter will now go to arbitration, a process in which there is a 6-month time limit.[4]

Indian Lead Pvt Ltd. recently announced plans to build an additional secondary lead refinery at Wada near its existing refinery at Thane, Maharashtra. The Thane plant has a lead production capacity of 25,000 tons per year and the Wadaplant will have a capacity of 20,000 tons per year. Construction at Wada is expected to be completed in two stages, the first by the end of 1997 and the second by the end of 1998. Indian Lead also plans to shift its existing plant from Thane to Wada, with the combined operations of both plants being located in one facility by 1999.[5]

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[1]Defense National Stockpile Center. News Release. Stockpile Announces Revisions To Fiscal Year 1997 And Fiscal Year 1998 Annual Materials Plans.

Prepared by the Metals Section and the Data Collection and Coordination Section, April 17, 1997.

DNSC-96-896, February 13, 1997, p. 1.

[2]Mining Journal, London. Industry In Action; Production--Chinese Output Falls. V. 328, No. 8416, Feb. 14, 1997, p. 131.

[3]The Northern Miner. Chinese Government Hosts International Mining Exhibition. V. 82, No. 51, Feb. 17, 1997, p. 5.

[4]Metal Bulletin. Century Zinc Goes To Arbitration After Compensation Fails. No. 8154, Feb. 17, 1997, p. 1.

[5]———. Indian Lead To Build New Refinery In Wada. No. 8155, Feb. 20, 1997, p. 12.

TABLE 1
SALIENT LEAD STATISTICS IN THE UNITED STATES 1/

(Metric tons)

	1996		1997		
	Jan. - Dec. p/	Jan. - Feb.	Jan.	Feb.	Jan. - Feb.
Production:					
Mine (recoverable)	418,000	72,100 r/	38,000 r/	36,700	74,700
Primary refinery 2/	326,000	65,100	28,800	28,500	57,300
Secondary refinery:					
Reported by smelters/refineries	1,010,000	162,000 r/	85,400 r/	87,100	172,000
Estimated	16,100	2,520 r/	1,390 r/	1,440	2,830
Recovered from copper-base scrap e/	15,000	2,500	1,250	1,250	2,500
Total secondary	1,040,000	167,000 r/	88,000 r/	89,800	178,000
Stocks, end of period:					
Primary refineries 2/	XX	XX	8,460	11,800	XX
Secondary smelters and consumers	XX	XX	50,300 r/	53,900	XX
Imports for consumption:					
Ore and concentrates (lead content)	6,570	635	4,520	NA	4,520 3/
Refined metal	268,000	47,000	22,200	NA	22,200 3/
Consumption:					
Reported	1,230,000	128,000	102,000	98,800	200,000
Undistributed e/	454,000	78,500	37,600 r/	36,500	74,100
Total	1,680,000	207,000	139,000 r/	135,000	275,000
Exports (lead content):					
Ore and concentrates	59,700	1,590	1,110	NA	1,110 3/
Materials excluding scrap	102,000	10,100	8,300	NA	8,300 3/
Ash and residues	19,400	1,700	2,080	NA	2,080 3/
TEL/TML preparations, based on lead compounds	3,200	173	145	NA	145 3/
Exports (gross weight): Scrap 4/	85,300	--	10,500	NA	10,500 3/
Platt's Metals Week North American producer price (cents per pound)	48.83	45.91	48.56	48.24	48.40

e/ Estimated. p/ Preliminary. r/ Revised. NA Not available. XX Not applicable.

1/ Data are rounded to three significant digits, except prices; may not add to totals shown.

2/ Data from American Bureau of Metal Statistics, Inc. (ABMS).

3/ Includes data for January only; February data not available at time of publication.

4/ Includes only non-battery scrap data.

TABLE 2
MONTHLY AVERAGE LEAD PRICES

	North American producer price	LME		Sterling exchange rate
	cents/lb	$/metric ton	£/metric ton	dollars/£
1996:				
February	46.59	769.24	500.82	1.535961
November	48.72	716.18	430.83	1.662311
December	48.52	688.38	413.70	1.663933
Year average	48.83	773.87	495.56	1.561616
1997:				
January	48.56	691.89	417.17	1.658514
February	48.24	659.74	405.83	1.625632

Source: Platt's Metals Week.

TABLE 3
MINE PRODUCTION OF RECOVERABLE LEAD IN THE UNITED STATES 1/

(Metric tons)

	1996 p/		1997		
	Year total	Jan. - Feb. r/	Jan. r/	Feb.	Jan. - Feb.
Missouri 2/	387,000	66,900	35,100	33,600	68,800
Other States 3/	30,800	5,110	2,860	3,060	5,920
Total	418,000	72,100	38,000	36,700	74,700
Daily average 4/	1,140	1,200	1,230	1,310	1,270

p/ Preliminary. r/ Revised.
1/ Data are rounded to three significant digits; may not add to totals shown.
2/ Alaska and Missouri combined to avoid disclosing company proprietary data.
3/ Includes Colorado, Idaho, Montana, and New York.
4/ Based on number of days in period without adjustment for Sundays or holidays.

TABLE 4
CONSUMPTION OF PURCHASED LEAD-BASE SCRAP IN FEBRUARY 1997 1/

(Metric tons, gross weight)

Item	Stocks Jan. 31, 1997	Net receipts	Consumption	Stocks Feb. 28, 1997
Battery-lead	42,200	105,000	106,000	41,300
Soft lead	W	W	W	W
Drosses and residues	1,100	5,420	5,460	1,050
Other 2/	1,300	2,620	2,540	1,370
Total	44,600	114,000	114,000	43,700
Percent change from preceding month	--	-5.5	-2.2	-2.0

W Withheld to avoid disclosing company proprietary data; included with "Other."
1/ Data are rounded to three significant digits; may not add to totals shown.
2/ Includes solder, common babbitt, antimonial lead, cable covering, type metals, and other lead-base scrap not elsewhere classified.

TABLE 5
LEAD, TIN, AND ANTIMONY RECOVERED FROM LEAD-BASE SCRAP IN FEBRUARY 1997 1/

(Metric tons)

	Secondary metal content		
Product recovered	Lead	Tin	Antimony
Soft and calcium lead	43,200	--	--
Remelt lead	W	W	W
Antimonial lead	38,600	11	W
Other 2/	W	W	--
Total lead-base	87,100	34	559

W Withheld to avoid disclosing company proprietary data; included in "Total."
1/ Data are rounded to three significant digits.
2/ Includes cable lead, lead-base babbitt, solder, type metals, and other products.

TABLE 6
CONSUMPTION OF LEAD IN THE UNITED STATES 1/

(Metric tons, lead content)

Uses	1996		1997		
	Jan.-Dec. p/	Jan.- Feb.	Jan.	Feb.	Jan.- Feb.
Metal products:					
Ammunition-shot and bullets	37,800	8,810	3,960	2,910	6,870
Brass and bronze-billet and ingots	6,060	1,050	549	545	1,090
Cable covering-power and communication and calking lead-building construction	6,720	943	284 r/	589	874
Casting metals	1,400	212	42	45	87
Pipes, traps, and other extruded products	(2/)	82	(2/)	(2/)	(2/)
Sheet lead	13,900	1,630	673	592	1,270
Solder	5,480	906	786 r/	552	1,340
Storage batteries, including oxides	1,140,000	108,000	94,300	93,000	187,000
Terne metal, type metal, and other metal products 3/	3,830	1,340	198	158	356
Total metal products	1,210,000	123,000	101,000	98,300	199,000
Other oxides	(4/)	3,440	(4/)	(4/)	(4/)
Miscellaneous uses	13,600	2,200	885 r/	437	1,320
Total reported	1,230,000	128,000	102,000	98,800	200,000
Undistributed consumption e/	454,000	78,500	37,600 r/	36,500	74,100
Grand total	1,680,000	207,000	139,000 r/	135,000	275,000

e/ Estimated. p/ Preliminary. r/ Revised.
1/ Data are rounded to three significant digits; may not add to totals shown.
2/ Withheld to avoid disclosing company proprietary data; included with "Sheet lead."
3/ Includes lead consumed in foil, collapsible tubes, annealing, plating, galvanizing, and fishing weights.
4/ Withheld to avoid disclosing company proprietary data; included with "Miscellaneous uses."

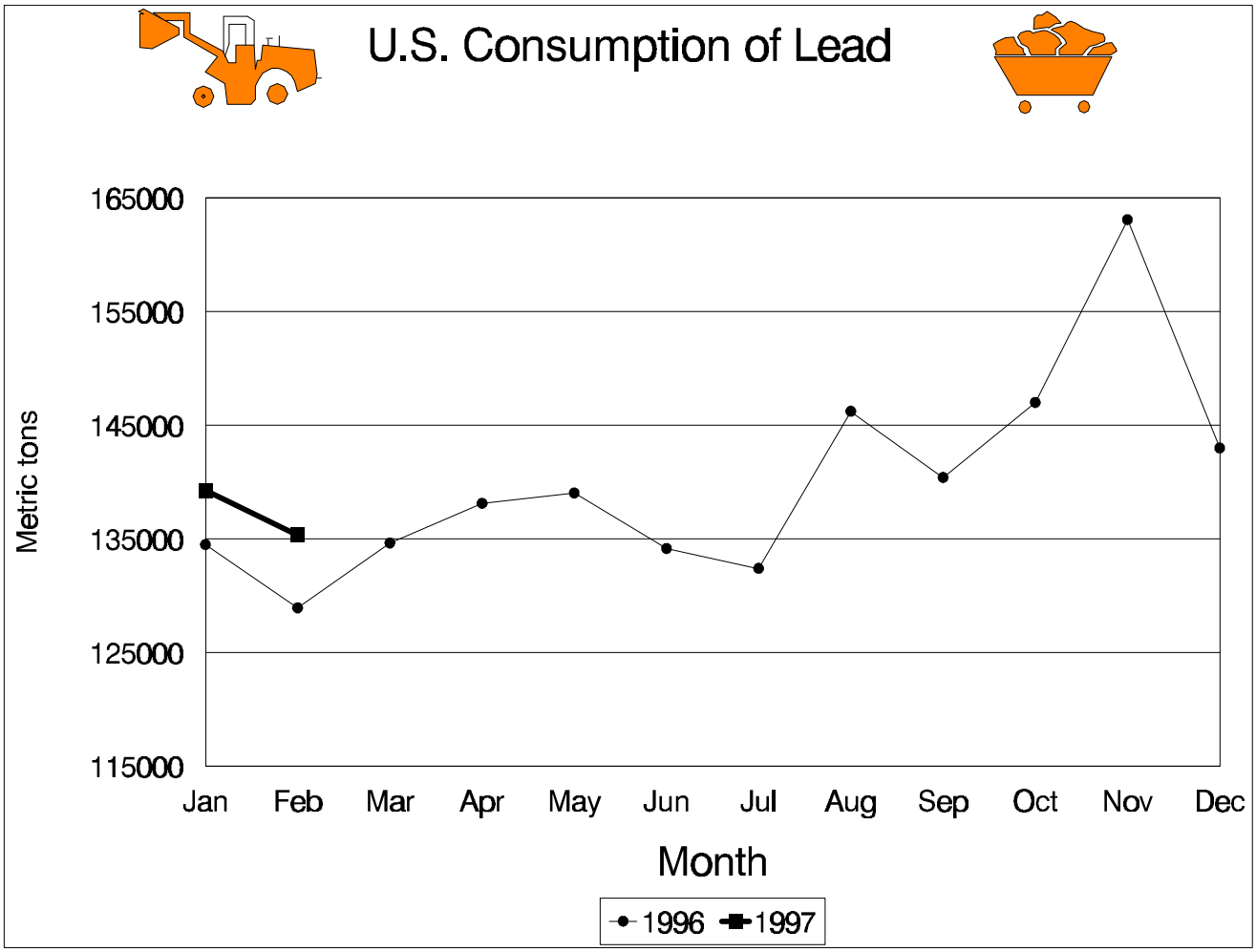

TABLE 7
CONSUMER AND SECONDARY SMELTER STOCKS, RECEIPTS, AND
CONSUMPTION OF LEAD IN FEBRUARY 1997 1/

(Metric tons, lead content)

Type of material	Stocks Jan. 31, 1997	Net receipts	Consumption	Stocks Feb. 28, 1997
Soft lead	18,300 r/	53,400	52,200	19,500
Antimonial lead	27,600 r/	29,500	27,600	29,600
Lead alloys	W	19,100	18,600	W
Copper-base scrap	W	442	442	W
Total	50,300 r/	102,000	98,800	53,900

r/ Revised. W Withheld to avoid disclosing company proprietary data; included in "Total."
1/ Data are rounded to three significant digits; may not add to totals shown.

TABLE 8
U.S. EXPORTS OF LEAD, BY CLASS 1/

(Metric tons)

	1996			1997
	Nov.	Dec.	Year total	Jan.
Lead content:				
Ore and concentrates	383	15,300	59,700	1,110
Materials excluding scrap	6,760	6,170	102,000	8,300
Ash and residues	3,130	605	19,400	2,080
TEL/TML preparations, based on lead compounds	106	254	3,200	145
Total	10,400	22,300	184,000	11,600
Gross weight: Scrap 2/	6,110	7,980	85,300	10,500

1/ Data are rounded to three significant digits; may not add to totals shown.
2/ Includes only non-battery scrap data.

Source: Bureau of the Census.

TABLE 9
U.S. IMPORTS OF LEAD BY TYPE OF MATERIALS AND BY COUNTRY OF ORIGIN 1/

(Metric tons, lead content)

	General imports				Imports for consumption			
	1996			1997	1996			1997
Country of origin	Year total	Jan.	Dec.	Jan.	Year total	Jan.	Dec.	Jan.
Ore, matte, etc.:								
Bolivia	326	7	4	10	--	--	--	--
Canada	352,000	31,200	25,000	19,800	4,370	6	148	--
Mexico	2,890	--	559	558	2,080	--	559	558
Peru	13,400	2,380	832	--	--	--	--	
Other	133	122	--	3,960	122	122	--	3,960
Total	369,000	33,700	26,400	24,300	6,570	128	707	4,520
Base bullion:								
Mexico	5	--	--	--	5	--	--	--
Total	5	--	--	--	5	--	--	--
Pigs and bars:								
Belgium	11	--	--	10	11	--	--	10
Canada	192,000	15,500	16,600	18,400	192,000	15,500	16,900	18,500
Germany	338	63	80	32	338	63	80	32
Mexico	56,900	5,030	4,700	2,610	56,900	5,030	4,700	2,610
Peru	17,100	3,900	700	700	17,100	3,900	700	700
United Arab Emirates	160	10	31	11	160	10	31	11
United Kingdom	19	--	--	--	19	--	--	--
Other	846	--	159	345	846	--	159	345
Total	267,000	24,500	22,300	22,100	268,000	24,500	22,600	22,200
Reclaimed scrap, including ash and residues	192	72	--	--	192	72	--	--
Grand total	636,000	58,300	48,700	46,500	274,000	24,700	23,300	26,700

1/ Data are rounded to three significant digits; may not add to totals shown.

Source: Bureau of the Census.